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Brazil

Exporter Guide

2007

Approved by:

Morgan Perkins, ATO Director
U.S. Agricultural Trade Office

Prepared by:

Fabiana Fonseca, Agricultural Marketing Specialist

Report Highlights:

This report provides information on Brazilian import procedures for food and beverage products. Although, the Brazilian importer plays a key role, it is crucial for U.S. exporters to understand the different steps in order to make the process runs more efficiently.

Includes PSD Changes: No
Includes Trade Matrix: No
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Table of Contents

I. MARKET OVERVIEW	3
II. EXPORTER BUSINESS TIPS	4
IMPORT PROCEDURES PRIOR SHIPMENT	6
IMPORT PROCEDURES DURING SHIPMENT	10
IMPORT PROCEDURES UPON PRODUCT ARRIVAL	10
III. MARKET SECTOR STRUCTURE AND TRENDS	11
IV. BEST HIGH-VALUE PRODUCT PROSPECTS	13
V. POST CONTACT AND FURTHER INFORMATION	13
APPENDIX. STATISTICS.....	Error! Bookmark not defined.
Table A. Key Trade & Demographic Information	Error! Bookmark not defined.
Table B. Consumer Food & Edible Fishery Products Imports	15
Table C. Suppliers of Consumer Food & Edible Fishery Products	15

I. MARKET OVERVIEW

In 2006 Brazil's economic growth reached 3.7 percent, but despite steady and consistent growth, there is widespread disappointment that the Brazilian economy is not expanding as quickly as many other developing countries. According to analysts, this is partially due to a strict primary surplus policy which, on the one hand contributes to steadily improving credit ratings and increasing capital inflows, but, on the other hand, holds back investment. To address low levels of investments, President Lula recently launched a Growth Acceleration Program (PAC) intended to boost GDP growth to 4.5 percent this year and 5 percent during the period 2008-2010. The Program aims to provide US\$235 billion in investment in infrastructure and the energy sector, two well-known bottlenecks to higher growth. In addition, low interest credits and tax cuts will be offered to specific sectors. There is a strong consensus that the downward cycle of interest rates (Selic) and low inflation rates will continue.

ECONOMIC INDICATORS

	2002	2003	2004	2005	2006	2007*
GDP Growth (%)	1.9	-0.2	4.9	2.3	3.7	4.5
Inflation-IPCA (%)	12.5	9.3	7.6	5.7	3.1	3.5
Interest Rate-Selic (%)	25.0	16.5	18.75	18.0	13.25	11.75
Total Exports (US\$ billion)	60.4	73.1	96.5	118.3	137.5	147.8
Total Imports (US\$ billion)	47.3	48.3	62.8	73.5	91.4	106.9
Trade Balance (US\$ billion)	13.1	24.8	33.7	44.8	46.1	40.9
Average Exchange Rate (R\$-US\$)	3.54	2.90	2.93	2.43	2.10	2.10

Source: Brazilian Institute of Geography and Statistics (IBGE), Brazilian Central Bank, Secretariat of Foreign Trade (SECEX), Getulio Vargas Foundation (FGV), Research Institute for Applied Economics (IPEA)

(1) IPCA is calculated by the Brazilian Institute of Geography and Statistics (IBGE). It is the Government of Brazil's target measure of inflation and measures price variation for products and services consumed by families with earnings from 1 to 40 minimum wage salaries in metropolitan areas of Porto Alegre, Belo Horizonte, Recife, Sao Paulo, Belem, Fortaleza, Salvador, Curitiba, Distrito Federal and Goiania.

(2) SELIC refers to the Brazilian Central Bank interest rate.

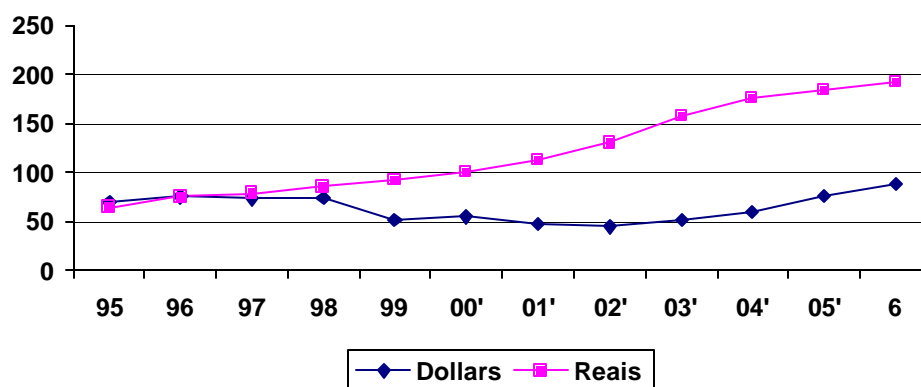
(*) Forecast

Brazil's trade balance remained positive despite further appreciation of the Real. Some exporters have pressured the government to take action to reduce the currency's value, but the GoB (Government of Brazil) has declined to intervene. Importers are taking advantage of this situation to expand sales in the local market. Data reflecting this increase in imports will be reflected in 2007 trade figures. The United States has maintained its position as Brazil's principal trading partner, with imports from the United States representing 16 percent of total 2006 imports. Together, the fifteen members of EU accounted for 21 percent, while Mercosul partners Argentina, Paraguay and Uruguay provided 10 percent of total imports.

Meanwhile, the value of production by the Brazilian food industry reached R\$191.9 billion (approximately US\$ 88.2 billion) in 2006, up four percent compared to 2005. According to the Brazilian Food Processors' Association (ABIA), gross sales of food reached 84.5 percent or R\$ 162.1 billion, while 15.5 percent of turnover corresponded to beverage products. Exports of processed food earned US\$22.7 billion, a 13.2 percent increase compared to

2005. Imports by the processing industry increased 25.4 percent in value and 11.2 percent in volume, reaching US\$1.89 billion in 2006.

FOOD INDUSTRY GROSS SALES (billions)



Source: ABIA

Given this outlook, there are challenges and advantages to be considered when planning a strategy to enter the Brazilian market, such as:

ADVANTAGES	CHALLENGES
The appreciation of the local currency offers opportunities for importers to sell foreign items at a lower price (in <i>Reais</i>).	Brazil is self-sufficient in food supply, and imported products are seen as luxury items. Retailers offer foreign goods to differentiate themselves and develop new niche markets.
Price is not always the determinant purchase criteria for high-end consumers who have a strong appreciation for product quality.	High-end consumers are very sophisticated and demanding regarding aspects such as innovation, packaging, status, new trends, etc.
The U.S. food industry is able to respond to consumers' demand promptly, regardless of the segment of products.	Brazilian consumers/importers have limited trade relations with the U.S. Initial sales volumes are usually small and product registration can take a long time.
As a developing economy, Brazil still is quite sensitive to international turbulence.	Suppliers must learn how to operate in an up-and-down environment where long-term planning is not easy.

II. EXPORTER BUSINESS TIPS

When approaching the Brazilian market, exporters should be aware that most imported foods and beverages are not price competitive with locally produced products. The Brazilian food industry is well developed and the presence of major multinational companies contributes to making the sector quite competitive. According to importers, the shelf price of imported goods is from 2-4 times the FOB price at origin; therefore, U.S. exporters have to confront this reality and be able to provide products that can be differentiated from the [local] competition. Brazilian high-end consumers are willing to pay more *Reais* for certain products. For this niche market, importers have to offer new, trendy products or a wider variety of products and brands. U.S. exporters should always consider the local Agricultural Trade Office (ATO) as an initial source of information and support. The ATO maintains direct contact with major importers in order to facilitate market entry and is able to provide assistance on Brazilian legislation and standards for imported goods. U.S. companies can test-market through the ATO and take advantage of free market intelligence.

The process of importing new products into Brazil is cumbersome, thanks to a long list of requirements mandated by the Government of Brazil (GoB); these requirements are overseen by a number of different branches of the federal government. Frequently, new-to-market U.S. exporters have found local importers to be extremely demanding in requesting advance copies of invoices, company registration, certification of product testing and other documents. Nevertheless, providing correct documentation in a timely fashion will speed company registration and product clearance.

The Ministry of Agriculture and Food Supply (MAPA) and the Ministry of Health (MS) are the two major institutions which oversee imports of agricultural products. The Secretariat of Rural Protection (SDA) of MAPA supervises six Departments. They are:

- The Department of Animal Origin Products Inspection Service (DIPOA), responsible for food safety/registration/labeling of cattle, sheep, swine, goat, horse, game meat, poultry, dairy products, eggs, and seafood.
- The Department of Plant Origin Products Inspection Service (DIPOV), responsible for compliance/registration/labeling of distilled spirits, wine, soft drinks, and juices.
- The Department of Animal Health (DSA), responsible for control/prevention/eradication/diseases of semen, embryos, and live animals.
- The Department of Plant Health (DSV), responsible for protection/pest prevention of bulk grains, fresh fruit, fresh vegetables, nuts, and seeds.
- The Department of Surveillance of Agricultural Input (DFIA), responsible for inspection/registration/standards of seeds, grains, fruits, and vegetables.
- The Department of Surveillance of Livestock Inputs (DFIP), responsible for inspection/registration of feeds, fodders, pet food, semen, and embryos.

The National Agency of Sanitary Surveillance (Anvisa) of the Ministry of Health (MS) controls import and marketing of the great majority of processed food products. This supervision is carried out by two departments:

- The General Management for Food (GGALI), responsible for food safety/registration/labeling/inspection of all processed products, excluding those under MAPA's authority.
- The General Management for Ports, Airports, Borders and Customs Zone (GGPAF), responsible for food safety/inspection of all processed products, excluding those under MAPA's authority at Brazilian borders.

CATEGORIES COVERED BY MAPA AND ANVISA

MAPA	ANVISA
Consumer-oriented products (<i>animal products</i> : red meat and by-products, poultry meat and by-products, fish, seafood products, dairy products, and eggs; <i>beverages</i> : alcoholic and non alcoholic; <i>fruits and vegetables</i> : dried, fresh and processed)	Consumer-oriented products All consumer-ready processed products (except those under MAPA's authority)

Intermediate products (wheat flour, planting seeds, etc)	
Bulk commodities (wheat, grains, rice, soybean, cotton, tobacco, pulses, peanuts, flour, etc)	Intermediate products (sugar, sweeteners, mineral water, flavored waters, energy drinks, hydroelectrolytic beverages, soy beverages, additives, and other ingredients (excluding those under MAPA's authority).
Pet food, feeds and fodders	
Plants and seeds	
Animals, semen and embryos	

Please find below a list of import procedures which are generally required (requirements may vary by product type and are frequently changed. Please consult with ATO/Sao Paulo if you have any questions or concerns):

IMPORT PROCEDURES PRIOR TO SHIPMENT

STEP I / MAPA AND ANVISA

The importer must ensure the Brazilian Government (GoB) allows import of their product. All ingredients contained in the U.S. product should meet GoB specifications and tolerance levels. It is common to make use of the services of a private regulatory affairs consultancy in this initial phase; however, contracting a private consultant is not mandatory. The importer will generally request that the exporter provide a list of ingredients (quantitative/qualitative characteristics) and additives, colorants, etc... by chemical names and a description of the ingredient's functions.

Products under MAPA follow stricter control such as approval of processing plants, registration, labeling, quota, FPS control, etc...

Before initiating any export process, U.S. companies may contact local FAS staff to make sure the information to be provided is acceptable to the Brazilian government.

STEP II / MAPA AND ANVISA

Labeling of food and beverage products must be in accordance to GoB regulations. Again, regulatory affairs consultants may be of great assistance. The exporter should forward a sample of the package to the importer. The label must include the following information:

Nutritional Facts	(g/100g of product)
Carbohydrate	(g/100g)
Protein	(g /100g)
Total Fat	(g/100g)
Saturated Fat	(g/100g)
<i>Trans</i> Fat	(g/100g)
Dietary Fiber	(g/100g)
Sodium	(g/100g)
Vitamins/Minerals	(mg or µg/100g) - when applied

STEP III / ANVISA

If the product is allowed to be marketed, the legal representative of the exporting company, (usually a local subsidiary, or the importer) must request product registration, or an official exemption from registration (See Annex I below, for eligible products). It is common practice in Brazil to retain the services of a private consultant for registration of products. If

there is more than one importer for the same product, each importer must make an independent request. These forms must be delivered to the local office of the Ministry of Health in the state where the importer is legally based. Importers of food products under ANNEX II (see below) must register their products and pay fees, which vary according to the size of the company. The following fee structure is currently in force:

DESCRIPTION	FEE BY COMPANY SIZE*					
	Group I** Large	Group II** Large	Group III** Medium	Group IV** Medium	Small	Micro
Product Registration	R\$6,000	R\$5,100	R\$4,200	R\$2,400	R\$600	R\$300

Note:

*Fees are charged in local currency: the Real (R\$). Average exchange rate in September 2007 US\$ 1.00=R\$1.95

**For the purposes of this regulation, the size of the company is defined as follows: Group I (annual gross sales above R\$50 million); Group II (annual gross sales between R\$50 million and R\$20 million); Group III (annual gross sales between R\$20 million and R\$6 million); Group IV (annual gross below R\$6 million), Small (annual gross sales between R\$1.2 million and R\$244 thousand), Micro (annual gross sales below R\$244 thousand).

ANNEX I to RDC/ANVISA nº278/05: Imported food products and packages exempt from registration

CODE	PRODUCT DESCRIPTION
4100115	Sugar and table top sweeteners
4100191	Flavoring additives
4200039	Foods enriched with essential nutrients (minerals and vitamins)
4200038	Foods and beverages with complementary nutritional information (light, zero calories, free, low)
4300167	Confectionery products
4100018	Coffee, barley, tea, erva-mate and instant products
4100166	Chocolates and cocoa products
4200071	Packaging
4300194	Enzyme and enzyme preparations
4100042	Seasonings, condiments and sauces
4200012	Frozen products and preparations for frozen products
4200123	Ice
4200098	Mixes for food preparation and ready for consumption products
4100158	Vegetable oils, fats and vegetable cream
4300151	Cereals and derivatives
4300196	Products containing protein of vegetable origin
4100077	Canned vegetable products (excl. palmito), fruit products and mushrooms

ANNEX II to RDC/ANVISA nº278/05: Imported food products and packages with mandatory registration

CODE	PRODUCT DESCRIPTION
4200047	Additives
4100114	Dietetic sweeteners

4300164	Waters containing salt
4200020	Mineral water and natural water
4300032	Functional foods or health claims
4300033	Infant food
4300083	Food for weight control
4300078	Food with dietary restrictions of nutrients
4300086	Foods for diets with controlled sweeteners
4200081	Foods for special diets
4300088	Foods for pregnant and lactating women
4300087	Foods for elderly people
4300085	Foods for sport activities
4200055	Processing aids
4300031	Packaging from new technologies (recycled, PET)
4300030	Novel foods and/or novel food ingredients
4100204	Salt
4200101	Other salts
4300090	Bioactive substances and probiotic isolates claiming functional and/or healthy attributes
4300041	Vitamin and/or mineral supplements
4000009	Canned vegetable (palmito)

Note: The codes used before each product in the ANNEXES above are control codes used by the Ministry of Health and should not be confused with the codes of the Harmonized Tariff System (HS).

Importers of food products that are exempt from registration are generally still required to complete the Import Notice for Products Exempt of Registration (CIPDR). Food additives permitted in Brazil and recognized by Good Manufacturing Practice (GMP) of Codex Alimentarius (unless otherwise specified) also fall under this regulation.

FORM CIPDR to RDC/ANVISA nº 278/05

Field A	To be filled in by the sanitary authority
Field B	<ul style="list-style-type: none"> ▪ corporate tax number ▪ name of the importer or legal representative of the exporter or subsidiary ▪ full address/phone/fax/e-mail
Field C	Information regarding the warehousing unit
Field D	Term of responsibility to be signed by the importer <ul style="list-style-type: none"> ▪ importation date ▪ sale date
Field E	To be filled in by the sanitary authority
Field F	<ul style="list-style-type: none"> ▪ corporate tax number of the importer or legal representative of the exporter or subsidiary ▪ corporate tax number of the warehousing unit ▪ product category ▪ category description ▪ product name ▪ expiration date ▪ brand ▪ type of packaging ▪ manufacturer ▪ country of origin ▪ commercial perspective (if the product is to be sold in one specific city, state, or national territory)

Petition Form #1: Imported food products and packages with mandatory registration

Field A	<ul style="list-style-type: none"> ▪ protocol number ▪ date
Field B	To be filled in by the sanitary authority
Field C	Company information

	<ul style="list-style-type: none"> ▪ name of the importer or legal representative of the exporter or subsidiary ▪ tax ID number
Field D	Product information <ul style="list-style-type: none"> ▪ product category ▪ expiring date ▪ product name
Field E	Ingredients information <ul style="list-style-type: none"> ▪ list of ingredients ▪ type ▪ concentration (quantity/volume) ▪ percentage

Petition Form #2: Imported food products and packages with mandatory registration

Field A	<ul style="list-style-type: none"> ▪ protocol number ▪ date
Field B	To be filled in by the sanitary authority
Field F	Petition description (codes and description)
Field G	Manufacturer information <ul style="list-style-type: none"> ▪ name ▪ tax ID number ▪ location
Field H	Product information <ul style="list-style-type: none"> ▪ registration number ▪ type of use ▪ expiration date ▪ product name ▪ name/brand complement ▪ formula number ▪ product description ▪ packaging description ▪ care & handling
Field I	To be filled in by the sanitary authority
Field J	Term of responsibility to be signed by the importer
Field K	To be filled in by the sanitary authority

For products exempt from registration, the importer may start the import process as soon as the Ministry of Health releases an official *concurrence* for importation. For products with mandatory registration, in addition to petition forms #1 and #2 the importer must present a Previous Laboratory Analysis; this analysis must be conducted by a laboratory recognized and approved by GoB. Products with mandatory registration generally take 4 to 12 months to be approved. The Ministry of Health does not charge a fee for *Concurrence* for products exempt from approval. Products subject to mandatory approval, however, may pay a fee according to the company size (table above). The registration is valid for 5 years, after which a new petition must be filed.

STEP IV / MAPA AND ANVISA

Before shipment, a *pro forma* invoice must be sent to the Brazilian importer, as this document starts the import clearance process. The *pro forma* invoice must be filled out properly; otherwise the importer will not be able to file an import application. Delays are very common as a result of inadequate information being reported on the *pro forma* invoice.

STEP V / MAPA AND ANVISA

The administrative process starts. Since 1997, all import and export approval operations occur through an automated system called Integrated Foreign Trade System (Siscomex). The importer requests an import permit, also called Import License (LI), which must be obtained before shipment. All food and beverage products fall under the "non-automatic clearance" category. In the case of agricultural products under ANVISA, approval must be released by the Ministry of Health prior to shipment. In general the authorization is granted within a week. It is not uncommon for importers to contact ANVISA and MAPA for follow-up or to speed-up the process.

IMPORT PROCEDURES DURING SHIPMENT

STEP VI / MAPA AND ANVISA

Following embarkation, the exporter must send the documentation that will allow the importer to release goods from Brazilian customs. Documentation required includes:

- shipping information (bill of lading or AWB)
- commercial invoice (details of agreed payment methods must be included)
- certificate of origin (if required by Brazilian authorities)
- lab/FPS certificate (if required by Brazilian authorities)

IMPORT PROCEDURES UPON PRODUCT ARRIVAL

STEP VII / MAPA AND ANVISA

When goods arrive in Brazil, the importer (or a contracted customs broker officially representing the importer), must prepare the Import Declaration (DI). The necessary documentation to fill out the Import Declaration includes:

- commercial invoice
- shipping information
- Import License
- receipt for payment of Import Tax (II)
- receipt for payment of Tax on Industrial Products (IPI)
- other documents may be required depending on the specific product and/or transaction type

Mercosul countries (including Brazil, Argentina, Paraguay and Uruguay), have adopted the Mercosul Common Nomenclature (NCM) system for product classification. The NCM is based on the international methodology of the Harmonized Commodity Description and Coding System or simple Harmonized System (HS). The NCM is formed by 8 digits, the first 6 digits follows the HS codes while the seventh and eight digits correspond to Mercosul specifications. Through the NCM the amount of taxes to be paid are defined. Importers may present a single invoice for different NCMs, however, a separate LI is required for each NCM code.

STEP VIII / MAPA AND ANVISA

The clearance process starts when the product arrives in Brazil. The importer (or a contracted customs broker, officially representing the importer) initiates the procedures. Clearance from customs consists of a series of acts carried out by a customs official who will authorize the release of the goods to the importer after the verification of product

classification and tax payments. After the reception of documents, the system will automatically select inspection/verification method to be applied. They are:

- GREEN: customs clearance authorization is automatically issued.
- YELLOW: mandatory inspection of documentation is required and, if no evidence of irregularities is found, customs clearance is issued.
- RED: mandatory inspection of documentation and of goods is required before customs clearance authorization is issued.
- GRAY: mandatory inspection of documents, merchandise, and recalculation of import taxes applied.

Except for the green option, all documents including the Import Declaration, a receipt generated by the Siscomex and ICMS payment receipt (or waiver) must be presented to the Secretariat of Federal revenue (SRF). For goods assigned the gray option, a Declaration of Customs Value (DVA) must be made and transmitted via Siscomex to justify the product price and commercial aspects of the transaction. Any correction to the information presented must be carried out in accordance with Siscomex procedures. After registering customs clearance the fiscal authority - the Secretariat of Federal Revenue - will release an Import Confirmation (CI), approving customs clearance and the entry of goods.

MAPA and Anvisa also participate in the clearance process. The documents to be presented to the health authorities are:

- lab/FPS certificate
- certificate of origin
- control analysis (to be conducted *in loco* if requested by authorities)

III. MARKET SECTOR STRUCTURE AND TRENDS

In Brazil approximately 80 percent of food and beverage products are sold through supermarkets. According to ACNielsen, 2007 revenue for the food retail industry reached R\$124 billions (US\$59 billions applying average exchange rate of US\$1=R\$2.10) which is 4.8 percent higher than the previous year in nominal terms, but only 0.6 percent higher in real terms. The industry encompasses 73.4 thousand stores and 47.8 percent represent stores with 2 or more checkouts. The top 10 companies: Cia. Brasileira de Distribuicao, also known as Pao de Acucar; Wal-Mart; Carrefour; G. Barbosa; Cia. Zaffari; DMA, Irmaos Breta; Prezunic, A. Angeloni, and Coop together accounted for seventy percent of gross industry sales, but only two percent of total number of stores. The Brazilian retail sector still counts many small/medium size companies. Only Pao de Acucar, Carrefour and Wal Mart have massive, nationwide distribution systems. All other supermarket chains are regionally oriented. To obtain a list of top supermarket companies by region/state please contact the local U.S. Agricultural Trade Office.

Other distribution channels for food products include bars, traditional restaurants, fast-food restaurants and bakery shops, known locally as *padarias* (similar to delicatessens in the United States). The Brazilian Food Processors' Association (ABIA) estimated the size of food service industry at R\$80 billion (R\$45 billion are considered purchases of ingredients/food products) in 2006. The food service industry gathers approximately 1.2 million points-of-sale: 300 thousand traditional restaurants; 50 thousand bakeries; 280 thousand bars and fast-food restaurants, and thousands of street kiosks. Catering services also represent an important segment, the Brazilian Association for Catering Service Companies (ABERC) brings together 90 of these firms, representing an estimated 90 percent of a R\$7 billion market.

Brazilian retailers exert considerable power over the food industry, guaranteeing visibility to products and wider distribution. As with any other domestic food company, local importers are extremely dependent on retailers to move their goods. At the same time, retailers usually rely on importers to carry-out initial import operations until product sales volumes become significant and justify direct import by retail chains. Another distribution channel for distributors of imported food and beverage are high-end bars, restaurants, specialty food stores and catering service companies. However, such companies still represent a limited percentage of overall sales, and low volume sales face significant challenges.

MARKET STRUCTURE FOR IMPORTED PRODUCTS



In 2006, imports of consumer-oriented products expanded 19.8 percent as a result of the appreciation of the Brazilian currency, the *Real*. Sales to Brazil from Mercosul countries increased 18 percent, while exports from the EU and the U.S. expanded 25.9 percent and 7 percent, respectively. According to local importers, U.S. exports to Brazil have potential to increase still further. The major constraint has been a lack of enthusiasm by U.S. companies for selling small quantities and responding on short notice to Brazilian product demand- a situation aggravated by the substantial administrative demands of importing into Brazil.

CONSUMER-ORIENTED AGRICULTURAL TOTAL January - December (Millions of US Dollars)

	2001	%	2002	%	2003	%	2004	%	2005	%	2006	%
World	1,143.21	100.0	1,110.30	100.0	994.88	100.0	1,122.13	100.0	1,374.19	100.0	1,646.99	100.0
Mercosul (4)	635.46	55.6	649.75	58.5	602.87	60.6	644.12	57.4	703.26	51.2	829.70	50.4
EU (15)	263.91	23.1	232.72	21.0	205.09	20.6	231.75	20.6	283.72	20.6	357.34	21.7
US	92.1	8.0	82.61	7.4	72.4	7.3	101.62	9.1	114.12	8.3	122.09	7.4
Others	151.74	13.3	145.22	13.1	114.52	11.5	144.64	12.9	273.09	19.9	337.86	20.5

Source: World Trade Data/Secretariat of Foreign Trade (Secex)

The market for imports can be divided into 2 categories: products coming from Mercosul (which compete with the local industry and focus on average consumers) and products from non-Mercosul members. Goods exported by non-Mercosul members fit two market segments: high-end, restricted to affluent consumers and average/low end (mass consumption). Under this scenario, the major competitors for US companies are EU exporters. The EU is the second largest player in the marketplace, with the advantage that Brazilian upper-class eating habits are strongly influenced by European tastes. EU products are generally viewed as being traditional and sophisticated, and are often preferred. Despite

the EU's favorable position, U.S. companies are able to offer the same standards of products that EU suppliers do and have potential to increase market share in the Brazilian market.

IV. BEST HIGH-VALUE PRODUCT PROSPECTS

A. Products present in the market, which have good sales potential

Consumer-oriented food product categories that have demonstrated the best performance in the market were:

fruit/vegetable juices, processed fruits/vegetables, snack foods, pet foods, dairy products, alcoholic beverages (wine, beer and whiskey).

Importers are focused on well-known brands and high-end products. In addition Brazilian importers/distributors usually prefer products with six months shelf life or more. In addition to the product itself, packaging, status and level of innovation are important attributes. Products that combine these characteristics are more likely to successfully enter the market.

B. Products not present in significant quantity but which have good sales potential

Health foods, especially natural and organic products, have a limited presence in the Brazilian market.

The Brazilian food industry has not directed consistent efforts to develop these segments, as the consumer base is restricted to a [quickly growing] slice of the Brazilian population. There are limited numbers of suppliers in the market for these products and consequently prices are high.

C. Product not present because face they significant trade barriers

Brazilian legislation requires all food items to be approved by Ministry of Health (MS) or Ministry of Agriculture, Livestock, and Food Supply (MAPA) prior to shipment. Currently, poultry and beef imports are banned and considerable restrictions exist for products containing ingredients derived from biotech commodities.

V. POST CONTACT AND FURTHER INFORMATION

Please do not hesitate to contact the offices below for questions or comments regarding this report or require assistance to export processed food products into Brazil:

U.S. Agricultural Trade Office (ATO)
U.S. Consulate General
Rua Henri Dunant, 700
04709-110 Sao Paulo – SP
Tel: (55 11) 5186-7400
Fax: (55 11) 5186-7499
E-mail: atosaopaulo@usda.gov
atobrazil@usdabrazil.org.br

Office of Agricultural Affairs (OAA)
U.S. Embassy
Av. das Nacoes, quadra 801, lote 3
70403-900 Brasilia - DF
Tel: (55 61) 3312-7000
Fax: (55 61) 3312-7659
E-mail: agbrasilia@usda.gov

APPENDIX I. STATISTICS

TABLE A. Key Trade & Demographic Information

Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%)	3,628 / 9.0 % ¹
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share (%)	1,035 / 7.0 % ¹
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%)	268 / 0.36 % ¹
Total Population (Mil) / Annual Growth Rate (%) ³	188 / 1.2 % ³
Urban Population (Mil) / Annual Growth Rate (%) ³	95 / NA ³
Number of Major Metropolitan Areas ²	14 ⁴
Size of the Middle Class (Mil) / Growth Rate (%) ⁵	67/NA ^{2&5}
2004 Per Capita Gross Domestic Product (U.S. Dollars) ³	5,829 ³
Unemployment Rate (%) ²	9.5% ²
Per Capita Food Expenditures (U.S. Dollars) ²	543 ²
Percent of Female Population Employed ²	43% ²
2007 Exchange Rate (US\$1=R\$ local currency) ⁶	1.95

¹ Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office – 2004

² Source: Brazilian Geography and Statistics Institutes (IBGE)

³ Source: The World Bank Group

⁴ Metropolitan areas with at least 1,000,000 inhabitants

⁵ Middle class considered to represent families with income between R\$ 1,000 and R\$ 5,000 per month

⁶ Source: Brazilian Central Bank

Table B. Consumer Food & Edible Fishery Products Imports

Brazil Imports (In Millions of Dollars)	Imports from			Imports from			U.S. Market		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
CONSUMER-ORIENTED AGRICULTURAL TOTAL	1075	828	1035	71	50	68	7	6	7
Snack Foods (Excl. Nuts)	41	30	43	3	2	2	8	7	6
Breakfast Cereals & Pancake Mix	1	1	1	1	1	1	41	13	16
Red Meats, Fresh/Chilled/Frozen	80	71	84	1	1	1	0	0	0
Red Meats, Prepared/Preserved	2	2	2	1	1	1	44	26	20
Poultry Meat	1	1	1	0	0	0	0	0	0
Dairy Products (Excl. Cheese)	248	107	86	6	1	1	2	1	2
Cheese	22	14	12	1	1	1	1	0	0
Eggs & Products	13	12	16	7	5	11	51	44	71
Fresh Fruit	97	69	92	1	4	5	1	5	5
Fresh Vegetables	67	66	91	1	1	1	0	0	0
Processed Fruit & Vegetables	183	145	203	4	2	3	2	2	2
Fruit & Vegetable Juices	6	2	4	1	1	2	13	17	51
Tree Nuts	22	21	35	1	2	5	5	8	15
Wine & Beer	65	70	95	1	1	1	1	1	0
Nursery Products & Cut Flowers	10	7	8	1	1	1	0	0	0
Pet Foods (Dog & Cat Food)	6	4	4	5	1	1	86	32	5
Other Consumer-Oriented Products	211	207	258	42	31	36	20	15	14
FISH & SEAFOOD PRODUCTS	229	203	268	2	3	1	1	1	0
Salmon	21	23	35	1	1	1	0	1	0
Surimi	4	4	4	0	0	0	0	0	0
Crustaceans	1	1	1	0	0	0	0	0	0
Groundfish & Flatfish	61	54	72	1	1	1	0	0	0
Molluscs	1	1	1	1	1	1	3	1	1
Other Fishery Products	141	120	155	2	2	1	1	2	0
AGRICULTURAL PRODUCTS TOTAL	3554	3572	3628	321	349	317	9	10	9
AGRICULTURAL, FISH & FORESTRY TOTAL	3832	3834	3979	328	358	323	9	9	8

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

Table C. Suppliers of Consumer Food & Edible Fishery Products

Brazil - Top 15 Suppliers

CONSUMER-ORIENTED AGRICULTURAL IMPORTS

(1000\$)	2002	2003	2004
Argentina	429,657	348,538	464,838
Chile	81,286	68,742	79,189
United States	71,112	49,852	67,552
Uruguay	111,390	66,552	54,676
Italy	38,882	30,739	41,576
Paraguay	25,860	31,469	38,783
France	37,716	36,102	34,241
Netherlands	26,446	19,277	24,182
China (Peoples Republic of)	25,112	15,646	24,052
Portugal	17,338	14,474	20,249
Turkey	11,536	11,854	20,207
Germany	18,885	17,541	19,489
Indonesia	6,079	6,590	17,242
Belgium	12,845	12,805	16,296
Spain	23,205	11,514	14,963
Austria	10,680	7,290	10,331
New Zealand	27,258	11,785	8,867
Switzerland	9,215	8,247	8,119
Denmark	9,695	5,528	7,225
Peru	5,458	4,597	6,046
Rest of World	75,296	49,053	56,454
World	1,074,952	828,221	1,034,581

FISH & SEAFOOD PRODUCTS IMPORTS

(1000\$)	2001	2002	2003
Norway	85,132	65,113	98,031
Argentina	49,621	43,307	53,839
Chile	32,965	34,755	50,737
Venezuela	19,111	11,924	18,812
Portugal	8,719	9,895	12,320
Uruguay	11,451	9,553	8,414
Peru	2,956	4,671	4,392
Ecuador	1,248	2,455	3,616
Spain	1,119	864	3,272
Thailand	3,509	4,752	2,805
Morocco	84	2,886	2,542
Taiwan (Estimated)	125	152	1,802
Russian Federation	3,812	5,238	1,269
United States	2,094	2,536	964
Iceland	1,618	274	768
Korea, Republic of	1,128	101	550
Sao Tome and Principe	0	125	429
Togo	25	0	366
Belize	430	248	313
Germany	128	163	266
South Africa	336	110	264
Costa Rica	0	146	259
Rest of World	3,643	3,618	1,684
World	229,258	202,885	267,710

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office